

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**  
**(An unlimited company and registered charity)**

**Annual report and financial statements**

**Year ended 31 December 2012**

**Company number: 699764**

**Charity number: 242451**

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**  
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**Year ended 31 December 2012**

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# **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

## **Report of the trustees for the year ended 31 December 2012**

The trustees are pleased to present their report together with the audited financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain) ("The Charity") for the year ended 31 December 2012.

### **Legal and administrative details**

Charity number: 242451

Company number: 699764

Principal office and registered office: 751 Warwick Road, Solihull, West Midlands, B91 3DQ

Auditors: Grant Thornton UK LLP  
Chartered Accountants & Registered Auditors  
Colmore Plaza,  
20 Colmore Circus,  
Birmingham B4 6AT

Bankers: HSBC  
34 Poplar Road, Solihull, West Midlands, B91 3AF  
  
Citibank  
CitiGroup Centre, 33 Canada Square, London, E14 5LB

Solicitors: Devonshires  
30 Finsbury Circus, London, EC2M 7DT

### **Directors, trustees and senior management:**

The directors of The Charity are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and subsequent to the year end and up to the date of signing the report were as follows:

Robert John Mulligan

Rainer Herbert Gottlieb Wiborny

Joseph Bitner Wirthlin Jr.

Resigned 17 July 2012

Craig Jeffery Hunt

Appointed 17 July 2012

None of the trustees have qualifying third-party indemnity insurance.

### **Area controller**

Brad Barlow

# **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

## **Report of the trustees for the year ended 31 December 2012**

### **Structure, governance and management**

#### **Governing document**

The Church of Jesus Christ of Latter-day Saints (Great Britain) is an unlimited company and a registered charity. The Charity is governed by its Memorandum and Articles of Association which were last amended on 31 March 2005.

#### **Appointment of trustees**

As set out in the Articles of Association, new or additional directors (trustees) are to be appointed by the shareholder (Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints), providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

The shareholder will also determine the rotation and time in which trustees are to retire. Currently no term is fixed to the term served. Trustees shall not be less than two or more than seven in number.

The shareholder may, from time to time, vary the minimum or maximum number of directors (trustees).

#### **Trustee induction and training**

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of The Charity.

During the induction day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires solicitors.

#### **Organisation**

The parent organisation of The Charity, The Church of Jesus Christ of Latter-day Saints ("The Church"), is directed by the First Presidency supported by The Quorum of the Twelve Apostles and various quorums of the Seventy. Members of these quorums are called General or Area Authorities, three of whom will be assigned to serve as an Area Presidency within a specific geographic area.

Throughout the world a number of Area Presidencies are assigned to administer the day to day affairs of The Church on behalf of the First Presidency. One of these Area Presidencies is based in Frankfurt, Germany and has the responsibility for the administration and operation of The Church in Europe. The Europe Area Presidency provides ecclesiastical direction for The Church in Europe and oversees The Church's lay ministry.

Ecclesiastical direction is channelled to The Charity via the shareholder and is reflected in the various department budget requests which are reviewed by the trustees annually prior to them being submitted to Church headquarters for approval.

The Charity also administers operations in France.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2012**

#### **Structure, governance and management (continued)**

Within this framework, the board of trustees administers the affairs of The Charity. The board meets at least twice a year. Department heads submit reports and budget requests to the trustees for approval in or around October each year. In or around March each year department heads report to the trustees on the prior year's financial performance and achievements.

In addition, the trustees monitor progress and achievements throughout the year and other trustee meetings are held as necessary.

#### **Employees**

The Charity has the policy of ensuring that its employees are those that are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

- Applications for new positions in The Charity are invited from anyone with the relevant qualifications. The key selection emphasis is on the applicants' ability to meet the requirements of the position with reference to qualifications and prior experience. In December 2008, in response to the impact of the economic environment on operations, The Charity initiated a hiring freeze with the result that resigning or retiring staff would no longer be automatically replaced. This hiring freeze continued throughout 2012. In the future, whenever a vacancy does need to be filled, preference will be given to selecting from existing employees based on their experience and relevant qualifications. Only in exceptional circumstances is it expected that new external hires will be considered for needed vacant positions.
- The Charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of The Charity.
- In addition to the above points, The Charity is mindful of the need to cater for those with illness, medical conditions or disabilities. Applicants for new positions in The Charity are requested to provide information the employer would need to be aware of in order to make reasonable adjustments should they be successful.
- In addition to the above points The Charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long term disability benefits from The Charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. On training and career development issues, there is no distinction made between disabled and non-disabled employees. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2012**

#### **Structure, governance and management (continued)**

##### **Related parties**

The Charity has a close relationship with its sister charity the Irish Association of The Church of Jesus Christ of Latter-day Saints ("The Irish Association"). There is regular cooperation between the charities.

##### **Principal risks and uncertainties**

The main risk The Charity faces is that it relies on donations from members and parent company donations to finance its charitable activities. However, the parent company has guaranteed its future financial support, where necessary, to ensure that The Charity has sufficient reserves to meet the costs of its charitable activities.

##### **Financial risk and management**

The following statements summarise The Charity's identified forms of financial risk and management policies:

- Price risk – salary costs are communicated to staff during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.
- Credit risk – Credit risk on amounts owed to The Charity by its customers is low as the majority of its debtors have been contracted with frequently by The Charity in the past and have a proven reliability.
- Liquidity risk – The Charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company.
- Interest rate cash flow risk – The Charity is able to place surplus funds on short term deposit with The Charity's bankers.

The trustees have a risk management strategy which encompasses:

- an annual review of the risks The Charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the strategy; and
- the implementation of procedures designed to minimise any potential impact on The Charity should those risks materialise.

# **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

## **Report of the trustees for the year ended 31 December 2012**

### **Objectives and activities**

The Charity has the general aim of assisting The Church to grow its membership and to provide facilities for them and to reach out and work with, and provide services to, the wider community. The Charity assists members of The Church and others in need of religious assistance or in conditions of need, hardship, sickness or distress.

The object of The Charity is:

To promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere.

The Charity achieves this in the following ways:

#### **Provision of facilities for religious worship**

One of the primary objectives of The Charity is to provide temples and meetinghouses to enable religious worship to be undertaken by members of The Church and others. Worship services are held each Sunday in meetinghouses. The Charity has the responsibility of construction of new meetinghouses where the need arises. It deals with external contractors, architects and other consultants directly to achieve this goal.

#### **Religious education**

Worship services are held each Sunday in meetinghouses whereby members and non-members are invited to attend and learn about Jesus Christ and how adopting his teachings benefits all. These services are open to the public. Various other meetings are held throughout the rest of the week.

The smallest congregation in The Church is a Branch. Larger congregations are called Wards. All members of The Church belong to a designated Branch or Ward. Groups of Branches and Wards are called Districts or Stakes. These are created to facilitate the administration of The Church.

The Church has no paid ministry and thus local members fill leadership positions. Men and women volunteer their time to serve in whatever position they are called.

Ecclesiastical functions in the various congregations are carried out on a volunteer basis. Administrative support and ecclesiastical direction is provided from The Church's European headquarters in Frankfurt, Germany (from August 2008). Prior to August 2008 ecclesiastical direction and administrative support had been provided from Solihull in the West Midlands.

#### **Religious materials**

The Charity supplies certain religious materials at no charge to members of The Church and others to help them in their Church work and to improve their learning. Magazines and other religious training materials are also contained on The Church's United Kingdom and worldwide websites ([www.lds.org.uk](http://www.lds.org.uk) and [www.lds.org](http://www.lds.org)).

# **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

## **Report of the trustees for the year ended 31 December 2012**

### **Objectives and activities (continued)**

#### **Missionary work**

A key objective is missionary work and The Charity assists in the funding of missionary activities in the United Kingdom. Missionaries will teach people about The Church and also undertake service projects in the local community.

#### **Family history**

The Church places great religious significance on tracing family history. Within the community there is also a wide interest in genealogy. The Charity continues to be committed to improving facilities within its Family History Centres throughout the United Kingdom and Ireland.

Upon request, The Charity also makes available microfilm and microfiche records from the extensive libraries held by The Church. Family history research (researching genealogy) remains a major interest and hobby for many people in Great Britain. On-line resources including searchable databases and images of original records, continue to grow at pace. Access is available to the world's largest free genealogy library where more than 20 billion records can be studied.

One of the aims of the Family History Department is to deliver more records, to more people and faster, by providing timely access to the broadest set of family history records possible.

There are no paid employees in Family History Centres. They are staffed by volunteers, with 95% of these being members of The Church.

#### **Work in the community**

The Charity encourages members of The Church to become actively involved in their local community and provide training materials to assist with this. The Charity also arranges a 'National Helping Hands Day' where members of each Ward and Branch perform a pre-arranged service in the community.

#### **Public Affairs**

The Charity undertakes certain public affairs projects during the year to ensure that the general public has a clear understanding of what The Church teachings stand for.

#### **Encourage welfare principles**

The Charity encourages members to become economically self-reliant through employment, education, and maintaining food storage. A large amount of the responsibility for this rests with the Employment Resource Services department. This department is managed by two full-time employees of The Charity, an Employment Resource Services manager and an associate manager.

#### **Public benefit**

The trustees have read and given due regard to the guidance on public benefit published by The Charity Commission in exercising their powers and duties, including the supplementary public benefit guidance for charities whose aims include advancing religion.



# **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

## **Report of the trustees for the year ended 31 December 2012**

### **Achievements and performance**

#### **Provision of facilities for religious worship**

Church membership in the United Kingdom stood at 188,462 at 31 December 2012 (2011: 188,029). At year end there were 45 stakes comprising 286 Wards and 49 Branches. At year end 2012 The Charity owned 296 meetinghouses accommodating the Wards and Branches. For those congregations not yet qualifying for a purpose-built meetinghouse, facilities were either leased or rented to accommodate such units of The Church. During 2012, The Charity leased or rented 37 premises to house an equal number of Wards and Branches that do not yet qualify for their own meetinghouse.

In 2012 the following building-related costs were incurred:

#### **Real Estate Projects**

There were no real estate sites purchased during the year.

#### **Meetinghouse Addition Projects**

1. Additions completed in 2012 – Hyde Park, Poole Stake centre, Worthing, Antrim	£ 3,811,500
2. Additions design started in 2012 – Mitcham, Swindon, Bristol, Cardiff, Newton Abbott, Pontypridd, Chelmsford, Chester, Darlington, Douglas, Kettering, Newcastle-Under-Lyme	£6,402,500
<b>Total</b>	<b>£ 10,214,000</b>

#### **Meetinghouse Replacement and Improvement (R&I) Projects**

226 meetinghouse R&I projects started in 2012	£ 4,199,428
<b>Total</b>	<b>£ 4,199,428</b>

In addition, the following maintenance costs were incurred in the year:

#### **Meetinghouse Operations – the cost to operate and maintain meetinghouses in 2012**

Operational costs include: Cleaning, Minor Maintenance, Grounds Care, Phone, Utilities, Administration Costs and Rents. <b>Total operational square feet = 2,275,604</b>	£ 10,194,719
<b>Total</b>	<b>£ 10,194,719</b>

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2012**

#### **Achievements and performance (continued)**

##### **New Meetinghouse Projects with full expected costs**

New meetinghouse construction projects completed in 2012 were: Milford Haven Buchan Omagh	£ 1,180,000 £ 1,060,000 £ 680,000
New meetinghouse construction projects have started at: Manchester	£ 3,929,000
Designs began on the following new meetinghouse construction projects : Salisbury Crystal Palace	£ 1,950,000 £ 2,350,000
<b>Total</b>	<b>£ 11,149,000</b>

#### **Missionary work**

During 2012 there were 1,411 convert baptisms in the United Kingdom. The Charity continues to assist with the funding of missionary programmes.

In all, there are currently 6 missions in the United Kingdom. Each mission has a financial secretary to administer the financial matters of that mission. In addition there is financial and administrative support given from the head office at 751 Warwick Road, Solihull.

Overall, the missionary programme for 2012 finished within budget.

#### **Family history**

In the United Kingdom The Charity now has 121 Family History Centres operating at 2012 year end. These research facilities are used extensively by members of the public, with approximately 70% of patrons not being members of The Church.

##### **Achievements in family history during 2012 were:**

- Participated in the “Who Do You Think You Are?” event at the Olympia, London for the sixth year in succession. Also participated in or sponsored local units to participate in eight other family history fairs in the UK.
- Twenty-nine volunteers (Church-service missionaries – ‘CSM’) work in the FamilySearch Support EMEA Contact Centre –the online and phone helpdesk. Along with other English-language volunteers located elsewhere in the world, they typically handle 340 telephone cases/month; 560 chat interactions/month and answer 250 e-mail cases/month.

# **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

## **Report of the trustees for the year ended 31 December 2012**

### **Achievements and performance (continued)**

#### **Family history (continued)**

- The two volunteer Area Family History Advisers continued to be trained and supported in their work with UK priesthood leaders.
- Imaged and replaced 22 Family History Centre personal computers.
- During 2012, efforts continued to increase the numbers of volunteers working to index family history records on-line, through FamilySearch Indexing. At the year-end there were 1,692 Church member Indexers in place, with many more non-member indexers not included.
- Five full time employees supported by missionaries both full time and CSM captured 2,350,000 images. This equates to possibly 18,000,000 records (individual names).
- Agreements have been signed covering in total 2,340,000 new images. Some of these new images have been captured through 2012.
- In addition, agreement was reached covering an additional 44,344,000 renegotiated images (exposures already held on microfilm). This again equates to a possible 220,000,000 records (individual names).
- Continued participation in the affiliate programme, where FamilySearch cooperates with organizations to promote the principal of more records faster to more people. This is being accomplished by using indexes already created by Family History Societies and by agreement with commercial companies such as 'Find My Past'. Significant benefits for The Church come in that costs are reduced as records made available through others web sites but with free access to FamilySearch members.

#### **Welfare principles**

Members were instructed on food storage and budgeting issues as part of the general program of The Church to help members and others become self-reliant. To assist this process guidance pamphlets on these topics were distributed free of charge as well as lessons given in each of the Wards and Branches throughout the year in the UK.

Local leaders of The Church were given counsel and direction on how best to respond to the needs of the poor and needy. This training was undertaken by volunteers who, in addition, provided further training on responding to spiritual, emotional and social needs, resource management and debt avoidance, enhancing physical health and well-being and meeting the education and literacy needs of members.

# **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

## **Report of the trustees for the year ended 31 December 2012**

### **Achievements and performance (continued)**

#### **Welfare principles (continued)**

##### **Employment Resource Services**

The Employment Resource Services operation has been managed by two full time employees of the company. Martin Gardner is the Employment Resource Services Manager and James Martin was an associate manager, the latter retired in August of 2012 and his position was not replaced in the UK. Responsibility for the UK operation through employees passed to Martin Gardner. Through their efforts the Employment Resource Services department (ERS) have been assisting individuals to become economically self-reliant through employment, education and self-employment.

There are also numerous volunteers who support the operations of the department, filling such roles as Employment Specialists (these have a responsibility to provide support, training and direct client work where necessary for a number of stakes), stake/district and ward/branch specialists. There are also a number of volunteers serving in the three Employment Centres located in the UK at London, Birmingham and Edinburgh (the latter supports our operations in Northern Ireland), including full time church missionaries. The number of key volunteers that we have working currently in employment specialist positions across the United Kingdom is 37 and the number of volunteers in the employment centres is 9.

Much of the work carried out by the department is centred in, or directly supported by, our three employment centres located in Birmingham, London and Edinburgh.

The core work that is undertaken by ERS is to provide Workshops for small groups of people (these are mainly attended by members of The Church but also sometimes by non-members). The most frequently held workshop is called the Career Workshop and basically this helps people to identify specific career development goals, needs to meet those goals and resources to fulfil the needs. This workshop is usually 10 – 12 hours in duration and usually over two consecutive days. The self-employment workshop covers aspects of identifying key needs for successful business development, determining what a person's business goals and objectives are, what resource is needed to meet them and how to access and develop those resources. The Self-employment Workshop is of the same duration of the Career Workshop but is taught over two days with a gap in between to allow time for research and assignments to be completed.

These workshops are held at regular intervals in various locations within the stakes across the country and at the Employment Centres. The workshops in centres are generally held on a more frequent basis due to the availability of people to teach them.

In addition to the Career Workshop and Self-employment Workshop other shorter workshops at the employment centres focused on CV writing and interview skills.

# **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

## **Report of the trustees for the year ended 31 December 2012**

### **Achievements and performance (continued)**

#### **Welfare principles (continued)**

##### **Employment Resource Services (continued)**

Psychometric testing for developing a work-choice profile for clients is carried out as well as specific one to one personal career counselling/coaching and resource development through use of a Career Assessment Plan.

The employees within ERS have a specific responsibility to provide training and support to local priesthood leaders and specialists serving within the stakes as well as managing the operations of the employment centres and developing resources for potential candidates in identifying suitable employment vacancies and academic/training courses at educational institutions.

Normally each year specific goals and targets are set in helping clients to find placements and set standards of excellence in respect to helping them to find better work. For 2012 the placement goal was 1,600.

##### **Specific Achievements in 2012**

ERS have helped to find placements in employment, self-employment or education/training for several hundred people.

The London Hyde Park chapel was reopened in June after remodelling and so the Hyde Park Employment Centre was also reopened.

##### **Work in the community**

During 2012 The Charity undertook the following major community initiatives:

##### **Helping Hands projects**

Throughout the year The Charity carried out helping hands projects within each of its 45 stakes, whereby members of The Church assist with various social needs activities.

##### **Family Values Awards**

Right Hon. Frank Field MP DL, United Kingdom Government adviser on family poverty, has received the 2012 Family Values Award from The Church at a celebratory event held at the British Houses of Parliament (May 22 2012).

The Church makes the award annually to individuals in the public eye whose work and Influence have a significant impact on family life within UK society.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2012**

#### **Achievements and performance (continued)**

##### **Family Values Awards (continued)**

Frank Field was given this year's honour "in recognition of his substantial contribution to the study of family life issues and practical application within the home", according to Elder Clifford T Herbertson, Area Seventy for The Church.

On receiving the award, Frank Field observed: "We live in a country where we're falling out of love with being really good parents – few children have the experience of the role model of what a good parent is." But he said that he wanted to see a society "where every child's full capabilities are met."

Frank Field is a practising member of the Church of England, is Chairman of the King James Bible Trust and serves as a Deputy Lieutenant for Merseyside, North West England.

The 2012 Family Values Award luncheon is the eighth such event held in the UK capital and was attended by five UK Parliamentarians. Previous award recipients include UK cabinet ministers, people of influence in the third sector and senior faith leaders.

##### **Brigham Young University Singers:**

Approximately 6,000 people attended concerts by the Brigham Young University Singers. About half of those attending were not members of The Church and many VIPs. The singers gave workshops and attended a choral workshop in Kings College Cambridge. Several thousand pounds were raised for other charities. Performances took place at public venues and were open to the community.

##### **Hyde Park Chapel Open house:**

Pre-opening tour of Hyde Park meetinghouse/hosting area with Elder Kearon/Michael Otterson was planned and attended. VIP reception was held in the newly refurbished chapel and visitors centre. Thirty-five VIPs attended and were hosted by Stake Presidents and members of the London Public Affairs Council of The Church.

##### **Community Relations:**

Many stakes took part in the Jubilee Day of Service. Over 2000 hours of service were given.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2012**

#### **Financial review**

Each year the trustees carry out a detailed review of each department of The Charity. They review the previous year's achievements and review and approve the budgets for next year.

The end of the year saw an excellent financial result based on strong financial management. Costs were maintained within budget. There was an overall decrease in the total resources expended. The costs decreased from £46,739,000 in 2011 to £44,202,000 in 2012. This was primarily due to a reduction in restricted funds' expenditure from £11,769,000 in 2011 to £8,327,000 in 2012.

Incoming resources saw an increase from £47,976,000 in 2011 to £52,486,000 in 2012. This was primarily due to an increase in donation income from the parent company from £4,813,000 in 2011 to £17,946,000 in 2012. In addition, in 2011, there was a one-off donation of land, valued at £6,607,643, by Farmland Reserves UK Limited.

The other incoming resources were donations from Church members (£33,159,000), interest income (£12,000), incoming resources from charitable activities (£1,091,000) and other income (£278,000).

Incoming resources exceeded resources expended for the year by £3,684,000 after taking into account the actuarial loss on the defined benefit pension scheme of £4,600,000.

#### **Investment powers and policy**

Under the Memorandum and Articles of Association, The Charity has the power to invest in any way the trustees deem to be in the best interests of The Charity.

The Charity's objective is to maintain high liquidity while ensuring maximum security and achieving the highest possible return.

#### **Reserves policy**

The trustees have established the level of reserves (that is those funds that are freely available) that The Charity ought to have ready access to. Reserves are needed to bridge any funding gap between spending and receiving resources through shareholder grants and member donations. The trustees' policy is to hold, as a minimum, the equivalent of approximately 12 months charitable expenditure in reserves.

The actual reserves at 31 December 2012 were £257,767,000 which is significantly above The Charity's target. This significant figure is largely due to the conversion of inter-company debt to grant income that took place in prior years as directed by the parent company.

In calculating reserves, the trustees have excluded from total funds the restricted income funds of £1,411,000. It is the trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

## The Church of Jesus Christ of Latter-day Saints (Great Britain)

### Report of the trustees for the year ended 31 December 2012

#### Plans for the future

##### Provision of facilities for religious worship

The Charity will continue to review the criteria for deciding when to build new buildings and whether innovative building techniques can achieve cost reductions in contract procurement and construction.

Plans for 2013 include the following:

##### **Real Estate Projects**

The acquisition of the following sites are planned in 2013:	
Whitechapel	£ 7,500,000
Welling	£ 3,500,000
Farnborough	£ 4,500,000
<b>Total</b>	<b>£ 15,500,000</b>

##### **Meetinghouse Addition Projects**

The following meetinghouse addition projects are planned in 2013:	
Oxford, Poole, Bournemouth	£ 1,350,000
<b>Total</b>	<b>£ 1,350,000</b>

##### **Meetinghouse Replacement and Improvement Projects**

155 meetinghouse R&I projects are planned in 2013	<b>£ 2,835,441</b>
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##### **Meetinghouse Operations – the cost to operate and maintain meetinghouses in 2013**

Operational costs include: Cleaning, Minor Maintenance, Grounds Care, Phone, Utilities, Administration Costs and Rents.	<b>£ 11,133,983</b>
<b>Total estimated operational square feet = 2,173,424</b>	

##### **New Meetinghouse Projects with full budgeted costs**

New meetinghouse construction projects are planned in 2013 at:	
Chesterfield	£ 2,600,000
Huntingdon	£ 3,000,000
<b>Total</b>	<b>£ 5,600,000</b>

##### Religious materials

The Charity will continue to supply religious materials to members and others.



## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2012**

#### **Plans for the future (continued)**

##### **Missionary work**

Sufficient budget funds will be allocated to support the continuing growth of The Church and the number of annual convert baptisms.

##### **Family history**

Plans for 2013 in family history encompass the following:

- Launch our World War I indexing project to index the British army pension records. This project is particularly aimed at engaging young people.
- Continue to increase activity within The Church and the community, in FamilySearch Indexing.
- Recruit and engage with community volunteers to build the FamilySearch Wiki and Forums to provide additional, richer content and research support respectively.
- Influence priesthood leaders to use family history as a resource in missionary efforts.
- Engage with Youth and Young Single Adults to increase their participation in family history activity.
- Using MediaSite equipment, develop an on-going regime for filming FH/Local History presentations by FH Professional, Archivists, Librarians and enthusiasts for viewing on the FamilySearch.org website.
- Further develop the webinar concept whereby professional FH researchers at the main Family History Library, deliver remote presentations to both Church and community audiences.
- Established at least two additional affiliate libraries in the UK (2 in England).
- Full time employees reduced to 4 operators supported by 2 missionary couples
- Goal for new image capture is 3,000,000 or 18,000,000 records
- Goal for renegotiated images is 12,000,000 or 50,000,000 records
- Creation of agreements with a minimum of three Family History Societies to create community indexing projects
- Goal of five new affiliate projects to spread costs for The Church, but allowing the flow of records to the web to increase
- Agreement with The Federation of Family History Societies covering the creation of a new Burial index covering up to 30,000,000 names
- On-going cooperation with Genealogical Societies in England, Scotland, Ireland

In line with the aim to deliver more records to more people faster, The Charity will continue the rollout of an on-line microfilm ordering service in Great Britain and Ireland. In addition, local ecclesiastical leaders will be encouraged to identify individuals who can be trained as additional volunteers in the FamilySearch indexing programme.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2012**

#### **Plans for the future (continued)**

##### **Work in the community**

Working through the Public Affairs Department, The Charity will continue its efforts in 2013 as follows:

- Family Values Awards will be held throughout the country.
- During 2013 an initiative is planned to hold an outreach dinner for key Muslim leaders in the UK to cultivate improved relationships, understand and create joint humanitarian efforts.
- The national blood drive will continue under the Mormon Helping Hands umbrella and stakes will also embark on local clean-up projects.
- Follow up and expand on opportunities resulting from the "I'm a Mormon" Media Campaign to inform the public about The Church beliefs. Plans are being put in place to place, through local media outlets, experiences and stories relating to The Church that have local interest.
- A large indexing project is to begin in 2013, in cooperation with the Royal British Legion, to index World War I military records.

##### **Welfare principles**

Throughout 2013 a number of stakes will open locally run employment centres for a few hours each week which ERS will provide support to. It is expected that additional support functions through ERS will be developed throughout 2013.

Local ecclesiastical leaders will work with members and non-members in their local area with the advisory supporting capacity of ERS.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2012**

#### **Trustees' responsibilities in relation to the financial statements**

The trustees (who are also directors of The Charity for the purposes of Company Law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company Law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

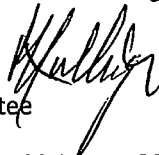
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy, at any time, the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the trustees

**Robert John Mulligan**

  
Trustee

Date: 20 August 2013

Company number: 699764



## **Independent auditor's report to the members of The Church of Jesus Christ of Latter-day Saints (Great Britain)**

We have audited the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain) for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Independent auditor's report to the members of The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kathryn Godfree

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Birmingham

01 August 2013

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Statement of financial activities (Including income & expenditure account)**

**for the year ended 31 December 2012**

	Note	Unrestricted Funds £'000	Restricted Funds (Note 7) £'000	Total funds 2012 £'000	Total funds 2011 £'000
<b>Incoming resources</b>					
<b><i>Incoming resources from generated funds:</i></b>					
<i>Voluntary income:</i>					
Donations	1	29,823	3,336	33,159	33,652
Donation from parent company	18	17,946	-	17,946	4,813
Donation from sister charity	18	-	-	-	6,608
<b><i>Investment Income:</i></b>					
Interest receivable		12	-	12	38
<b><i>Incoming resources from charitable activities:</i></b>					
Religious media sales		61	-	61	76
Temple income		1,030	-	1,030	1,020
		48,872	3,336	52,208	46,207
<b><i>Other incoming resources:</i></b>					
Other operating income		89	-	89	810
Other finance income	20	120	-	120	620
Profit on disposal of fixed assets	4	69	-	69	339
		278	-	278	1,769
<b>Total incoming resources</b>		<b>49,150</b>	<b>3,336</b>	<b>52,486</b>	<b>47,976</b>
<b>Resources expended</b>					
Charitable activities	2a	35,813	8,327	44,140	46,679
Governance costs	3	62	-	62	60
<b>Total resources expended</b>		<b>35,875</b>	<b>8,327</b>	<b>44,202</b>	<b>46,739</b>
<b>Net Incoming/(outgoing) resources before other recognised gains and losses</b>					
		<b>13,275</b>	<b>(4,991)</b>	<b>8,284</b>	<b>1,237</b>
Actuarial loss on defined benefit scheme	20	(4,600)	-	(4,600)	(5,850)
<b>Net Income/(expenditure) for the year</b>		<b>8,675</b>	<b>(4,991)</b>	<b>3,684</b>	<b>(4,613)</b>
Total funds brought forward		254,416	1,078	255,494	260,107
Transfers		(5,324)	5,324	-	-
<b>Total funds carried forward</b>		<b>257,767</b>	<b>1,411</b>	<b>259,178</b>	<b>255,494</b>

None of the charity's activities discontinued during the above two financial years.

There is no difference between the results above and the unmodified historical cost equivalents for the years.

The statement of financial activities includes all gains and losses recognised in the years.

# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## Balance Sheet

as at 31 December 2012

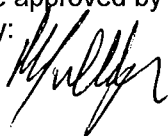
	Note	2012 £'000	2011 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	270,011	265,107
<b>CURRENT ASSETS</b>			
Stocks	10	72	78
Debtors	11	1,903	3,379
Investments	12	1	1,001
Cash at bank and in hand		6,989	1,097
		8,965	5,555
<b>LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due within one year	13	(2,638)	(2,208)
<b>NET CURRENT ASSETS</b>		6,327	3,347
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		276,338	268,454
Net assets excluding net pension liability		276,338	268,454
<b>Net defined benefit pension scheme liability</b>	20	(7,160)	(2,960)
Net assets including pension liability		269,178	265,494
<b>THE FUNDS OF THE CHARITY:</b>			
Called up share capital	14	10,000	10,000
Restricted income funds	8	1,411	1,078
Unrestricted income funds		264,927	257,376
Total funds excluding pension reserve		276,338	268,454
Pension deficit	20	(7,160)	(2,960)
Total charity funds	15	269,178	265,494

The accounting policies and notes on pages 23 to 36 form part of these accounts.

The financial statements on pages 20 to 36 were approved by the board of trustees on 20 August 2013 and were signed on its behalf by:

John Mulligan - trustee

Company number: 699764



**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Cash flow statement**

**for the year ended 31 December 2012**

	Note	2012 £'000	2011 £'000
Net cash inflow from operating activities		16,641	400
Returns on investments and servicing of finance	16b	12	38
Capital expenditure	16c	(11,761)	(5,689)
Management of liquid resources	16d	1,000	3,500
Increase/(decrease) in cash		<u>5,892</u>	<u>(1,751)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>	Note	<b>2012 £'000</b>	<b>2011 £'000</b>
Increase/(decrease) in cash in the year		5,892	(1,751)
Net funds at 1 January		1,097	2,848
Net funds at 31 December	16e	<u>6,989</u>	<u>1,097</u>
<b>Reconciliation of operating surplus/(deficit) to net cash inflow from operating activities</b>	Note	<b>2012 £'000</b>	<b>2011 £'000</b>
Operating surplus/(deficit)	16a	7,803	(640)
Depreciation		6,920	6,796
Decrease/(increase) in debtors		1,476	(259)
Increase in creditors		430	1,059
Decrease in inventory		6	39
Gifted assets		-	(6,608)
Write off of fixed assets		6	13
Net cash inflow from operating activities		<u>16,641</u>	<u>400</u>



## **THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

### **Accounting policies**

**for the year ended 31 December 2012**

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The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom and in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting for Charities 2005. A summary of the significant accounting policies which have been applied consistently, are:

#### **BASIS OF ACCOUNTING**

The financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006. The parent company has guaranteed its future financial support, where necessary, to ensure that The Charity has sufficient reserves to meet the costs of its charitable activities.

#### **FRS 18**

The trustees have reviewed the accounting policies and confirmed that they are the most applicable.

#### **INCOMING RESOURCES**

Donations represent amounts collected from United Kingdom members on a receivable basis, together with income tax recoverable for amounts paid under Gift Aid. Deferred income relates to advance payments for certain regional activities held by the company.

Periodically, further donations are received from the company's parent company, The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, to provide funds for the company's charitable activities and to ensure that the company has adequate reserves. These donations may be received by way of cash or partial cancellation of amounts due to the parent company. These donations are separately disclosed in the statement of financial activities and income and expenditure account.

#### **RESOURCES EXPENDED**

Resources expended comprises expenditure on charitable activities and governance costs. Costs are either specifically identified or apportioned on an appropriate basis between charitable activities and governance costs of the charity.

Charitable activities expenditure comprises the direct costs related to the achievement of the charitable objectives and an analysis of these costs are provided in note 2.

Governance costs are those costs that relate to activities which provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the charity. A breakdown is provided in note 3 and specifically comprises the legal advice to trustees, external audit costs and costs associated with constitutional and statutory requirements.

Expenditure is recognised on an accruals basis.

#### **INVESTMENTS**

Investment income is recognised on an accruals basis.

#### **LIABILITIES**

Future liabilities are recognised when the charity has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

#### **STOCK**

Stock is valued at the lower of cost (determined under a weighted average method) and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items or items provided free of charge.

## THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

### Accounting policies (continued)

for the year ended 31 December 2012

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#### TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Individual fixed assets costing £5,000 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Land improvements	over 50 years
Plant and equipment	over 10 years
Motor vehicles	over 4 years

Where appropriate provision has been made for impairment in the value of tangible fixed assets.

#### OPERATING LEASES

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the lease term.

#### FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income and expenditure account.

#### PENSION COSTS

The company operates a defined benefit pension scheme, which is contracted out of the state scheme. Pension costs are accounted for under Financial Reporting Standard (FRS) 17. The disclosures required by Financial Reporting Standard (FRS) 17 are included in the notes to the financial statements (see note 20).

The net assets under the defined benefit pension scheme are included in the balance sheet. Current and past service costs are charged to operating profit. The expected return on pension scheme assets, net of interest costs on pension liabilities, are included within other finance income and actuarial gains and losses are included on the face of the statement of financial activities.

#### FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the trustees in accordance with the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Further explanation of the nature and purpose of each restricted fund is included in the notes to the accounts (see

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements

for the year ended 31 December 2012

<b>1 Restricted income</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Missionary support fund	979	777
Book of Mormon fund	43	41
Fast offering fund	1,563	1,625
Temple construction fund	94	70
Humanitarian aid fund	372	448
Youth conferences	161	301
Perpetual education fund	124	128
	<b>3,336</b>	<b>3,390</b>

**2a Analysis of charitable activities**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Provision of worship facilities	24,314	-	24,314	23,790
Religious education	4,405	257	4,662	5,943
Missionary work	643	6,294	6,937	6,981
Genealogy work	5,669	-	5,669	5,204
Community projects	782	1,776	2,558	4,761
	<b>35,813</b>	<b>8,327</b>	<b>44,140</b>	<b>46,679</b>

**2b Charitable activities allocation**

<b>Activity</b>	<b>Activities</b>	<b>Support</b>	
	<b>Undertaken</b>	<b>Costs</b>	
	<b>directly</b>		<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Provision of worship facilities	12,343	11,971	24,314
Religious education	261	4,401	4,662
Missionary work	6,295	642	6,937
Genealogy work	5	5,664	5,669
Community projects	1,777	781	2,558
<b>Total</b>	<b>20,681</b>	<b>23,459</b>	<b>44,140</b>

**2c Support costs allocation**

<b>Support cost</b>	<b>Provision of</b>	<b>Religious</b>	<b>Missionary</b>	<b>Genealogy</b>	<b>Community</b>	
	<b>worship facilities</b>	<b>Education</b>	<b>work</b>	<b>work</b>	<b>projects</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Staff costs	4,029	3,510	511	4,516	623	13,189
Travel	277	241	35	311	43	907
General administration	485	423	62	544	75	1,589
Materials and supplies	67	59	9	76	10	221
Depreciation	6,920	-	-	-	-	6,920
Cost of sales	193	168	25	217	30	633
<b>Total</b>	<b>11,971</b>	<b>4,401</b>	<b>642</b>	<b>5,664</b>	<b>781</b>	<b>23,459</b>

The staff costs are allocated on the basis of the department in which the particular employees work. Travel, general administration, materials and supplies, cost of sales and grant expense are allocated on a pro-rata basis with the wages costs as these support costs relate to all charitable activities. Depreciation only relates to the charitable activity of providing worship facilities.

<b>3 Governance costs</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Audit fees	42	41
Accounting	20	19
	<b>62</b>	<b>60</b>

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2012**

**4 Net income/(expenditure) for the year**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Net income/(expenditure) is stated after (crediting)/charging:		
Operational leases (land and buildings)	4,844	3,502
Depreciation	6,920	6,796
Auditors remuneration	42	41
Profit on disposal of fixed assets	69	(339)
Loss on write off of fixed assets	6	13

**5 Employees**

	<b>2012</b>	<b>2011</b>
	<b>No.</b>	<b>No.</b>
The average monthly number of persons (including directors) employed by the company during the year was:		
Teaching function	25	25
Office administration	159	168
Building cleaners	50	69
	<b>234</b>	<b>262</b>

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs for the above persons:		
Wages and salaries	10,667	9,992
Social security costs	1,142	1,178
Other pension costs (note 20)	1,380	1,179
	<b>13,189</b>	<b>12,349</b>

The number of employees whose emoluments fell within the following bands during the year were as follows:

	<b>2012</b>	<b>2011</b>
	<b>No.</b>	<b>No.</b>
£70,001 - £80,000	10	7
£60,001 - £70,000	11	11

The number of employees whose emoluments were above £60,000 and who had benefits accruing under the defined benefit scheme were as follows:

	<b>2012</b>	<b>2011</b>
	<b>No.</b>	<b>No.</b>
£70,001 - £80,000	9	7
£60,001 - £70,000	11	11

**TRUSTEES' REMUNERATION**

None of the trustees received any remuneration or reimbursements from The Charity during the year (2011: none).

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2012**

**6 Taxation**

The company is a registered charity and as such is entitled to certain tax exemptions on income and profits carried on in furtherance of The Charity's primary objectives, if the profits and surpluses are applied solely for charitable purposes.

**7 Analysis of net assets between funds**

	Share capital & unrestricted funds £'000	Restricted funds £'000	Total 2012 £'000
Tangible fixed assets	270,011	-	270,011
Current assets	7,554	1,411	8,965
Liabilities due under one year	(9,798)	-	(9,798)
	267,767	1,411	269,178

**8 Restricted income funds**

The capital and income funds of the charity include restricted funds comprising the following unexpended balances of donations held on trust to be applied for specific purposes.

	Balance 31.12.11 £'000	Incoming resources £'000	Transfers £'000	Expenditure £'000	Balance 31.12.12 £'000
Fast Offering fund	203	1,563	9	(1,775)	-
Missionary support fund	-	979	5,315	(6,294)	-
Book of Mormon fund	41	43	-	-	84
Temple Construction fund	70	94	-	-	164
Humanitarian Aid fund	447	372	-	(1)	818
Perpetual education fund	128	124	-	-	252
Youth Conferences	189	161	-	(257)	93
	1,078	3,336	5,324	(8,327)	1,411

**Fast offering fund**

These funds are contributed by members of The Church to be used in the relief of the poor and needy. During the year £1,775,000 (2011: £1,876,000) was spent for the relief of the poor and needy in the United Kingdom.

## **THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

### **Notes to the financial statements (continued)**

**for the year ended 31 December 2012**

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#### **8 Restricted funds (continued)**

##### **Missionary support fund**

The missionary support fund represents donations from members in the United Kingdom and Ireland towards the costs of The Church's worldwide missionary fund programme which is co-ordinated and administered by the parent company, The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints. During each year, funds are transferred to the parent company as authorised by the trustees. Funds authorised for specified missionaries are released evenly over their mission term of either 18 months or two years. The balance unexpended at the year end represents funds authorised but not yet transferred in respect of specified serving missionaries and funds reserved for future missionaries.

##### **Book of Mormon fund**

These funds are donated by the members towards the production and distribution costs of 'The Book of Mormon - Another Testament of Jesus Christ'. This book is printed by The Church of Jesus Christ of Latter-day Saints. The balance of these funds at 31 December 2012 was transferred after the year end to The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

##### **Temple construction fund**

These funds are donated by the members towards the cost of constructing temples by The Church of Jesus Christ of Latter-day Saints in any country throughout the world. The balance of these funds at 31 December 2012 was transferred after the year end to The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

##### **Humanitarian aid fund**

These funds are donated by the members to help fund the programme of Humanitarian Aid approved by The Church of Jesus Christ of Latter-day Saints. The balance of these funds at 31 December 2012 was transferred after the year end to The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

##### **Perpetual Education Fund**

These funds are donated by the members to help fund the programme of Perpetual Education approved by The Church of Jesus Christ of Latter-day Saints. The balance of these funds at 31 December 2012 was transferred after the year end to The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

##### **Youth Conferences**

These funds are donated by the members to help fund the programme of Youth Conferences approved by The Church of Jesus Christ of Latter-day Saints.

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**  
**Notes to the financial statements (continued)**  
**for the year ended 31 December 2012**

**9 Tangible fixed assets**

	<b>Assets in the course of construction £'000</b>	<b>Land and Buildings £'000</b>	<b>Plant &amp; Equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Total £'000</b>
<b>Cost:</b>					
1 January 2012	8,599	343,798	2,565	2,729	357,691
Transfers	(3,714)	3,714	-	-	-
Write offs/adjustments	(7)	1	-	-	(6)
Additions	11,153	-	166	568	11,887
Disposals	-	-	-	(486)	(486)
31 December 2012	16,031	347,513	2,731	2,811	369,086
<b>Depreciation:</b>					
1 January 2012	-	89,028	2,188	1,368	92,584
Charge for Year	-	6,111	140	669	6,920
Disposals	-	-	-	(429)	(429)
31 December 2012	-	95,139	2,328	1,608	99,075
<b>Net book value:</b>					
31 December 2012	16,031	252,374	403	1,203	270,011
31 December 2011	8,599	254,770	377	1,361	265,107

The net book value of leases held over 50 years within land and buildings is £689,250 in 2012 (2011: £689,250).

**10 Stock**

	<b>2012 £'000</b>	<b>2011 £'000</b>
Finished goods and goods for resale	72	78

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2012**

<b>11 Debtors</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Due within one year:		
Deposits and advances	408	334
Other debtors	5	5
Prepayments and accrued income	1,490	3,040
	<u>1,903</u>	<u>3,379</u>

<b>12 Investments</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Fixed term deposit accounts	-	1,000
Deseret U.K.Trustco unlimited	1	1
	<u>1</u>	<u>1,001</u>

The trustees consider the value of the investments to be supported by the company's underlying assets.

<b>13 Creditors: Amounts falling due within one year</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Other taxation and social security costs	272	287
Other creditors	2,090	1,659
Deferred income	276	262
	<u>2,638</u>	<u>2,208</u>

Deferred income is further analysed as follows:

	<b>2012 £'000</b>	<b>2011 £'000</b>
Opening balance	262	248
Utilised in year	(262)	(248)
Accrued during year	276	262
Closing balance	<u>276</u>	<u>262</u>

<b>14 Called up share capital</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Authorised:		
25 million ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, issued and fully paid:		
10 million ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

<b>15 Reconciliation of movements in total shareholders' funds</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Net surplus in funds for the year	8,284	1,237
Actuarial loss on pension scheme (note 20)	(4,600)	(5,850)
	<u>3,684</u>	<u>(4,613)</u>
Net change in total shareholders' funds		
Opening shareholders' funds	265,494	270,107
Closing shareholders' funds	<u>269,178</u>	<u>265,494</u>



**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2012**

**16 Notes to the cash flow statement**

a Operating surplus/(deficit)	2012 £'000	2011 £'000
Net incoming resources before other recognised gains and losses	8,284	1,237
Interest received and other finance income	(132)	(658)
Gain on disposal of tangible fixed assets	(69)	(339)
Difference between pension charge and cash contributions	(280)	(880)
Operating surplus/(deficit)	7,803	(640)
b Returns on investments and servicing of finance		
Interest received	12	38
c Capital expenditure		
Payments to acquire tangible fixed assets	(11,887)	(6,922)
Receipts from sales of tangible fixed assets	126	1,233
	(11,761)	(5,689)
d Management of liquid resources		
Fixed term deposits reduction	1,000	3,500
e Analysis of changes in net funds		
	At 1 January 2012 £'000	Cash flows 31 December 2012 £'000
Cash at bank and in hand	1,097	5,892
		6,989

**17 Capital commitments**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Capital expenditure authorised by the directors and contracted for	<u>5,092</u>	<u>4,862</u>

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**  
**Notes to the financial statements (continued)**  
**for the year ended 31 December 2012**

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**18 Related party transactions and ultimate holding company**

The company is owned solely by the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints (the parent company and controlling party), a company incorporated in the state of Utah, United States of America. Assurances of continued financial support have been received from the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

All inter-company balances between the company and its parent company are transferred to the statement of financial activities as a grant expense or grant income depending on whether it is a debit or credit balance at the year end.

Total grant income received from the parent company in 2012 was £17,946,000 (2011: £4,813,000).

During the year, the company acted as agent of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints in the transfer of funds to and from other Church entities throughout the world. Balances arising from those transactions are dealt with as entries on behalf of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, and not as debtors and creditors of the company.

**19 Commitments under operating leases**

At 31 December 2012 the company had annual commitments under non-cancellable operating leases which relate to the lease of building facilities used for worship purposes and also to housing for missionaries. These are set out below:

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Leases expiring:		
In less than one year	392	452
In two to five years	542	528
In more than five years	108	197

# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## Notes to the financial statements (continued)

for the year ended 31 December 2012

### 20 Pension and other post-employment commitments

In conjunction with Farmland Reserve UK Limited, a charity also owned by the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, the Company operates a defined benefits plan, The Deseret UK Benefit Plans ("The Plan") which was approved under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. The Plan is contracted out of the State Second Pension.

The assets of The Plan are held separately from the assets of the Company. The most recent triennial valuation, using the projected unit basis, as at 31 December 2010, showed that the value of the Plan's assets was 100% of the value of the benefit accrued to members after allowing for future increases to earnings. The market value of The Plan's assets was £45,748,000 excluding money purchase additional voluntary contributions (AVCs). The following assumptions were adopted for the above valuation:

Investment return (before retirement)	6.80% pa
Investment return (after retirement)	4.63% pa
Average Salary Increases	5.10% pa
Retail price inflation	3.60% pa
Pension Increases (post 04/1997)	3.10% pa

In order to produce the 2012 disclosures required under FRS17 a full valuation, as at 31 December 2010, has been updated, by an independent qualified actuary, using the assumptions as shown below:

	31 December 2012	31 December 2011	31 December 2010
Retail Price Index	2.80% pa	2.90% pa	3.50% pa
Consumer Price Index	2.00% pa	2.10% pa	3.00% pa
Discount rate	4.20% pa	4.70% pa	5.40% pa
Increases in payment (post 04/1997 to 04/2006)	2.75% pa	2.85% pa	3.40% pa
Pensionable salary increases	4.30% pa	4.40% pa	4.75% pa

The mortality assumptions used were as follows:

	31 December 2012	31 December 2011	31 December 2010
Life expectancy aged 65 now			
- Men	22.5	22.4	22.3
- Women	24.9	24.8	24.7
Life expectancy aged 65 in 20 years			
- Men	24.4	24.3	24.2
- Women	26.8	26.7	26.6

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2012**

**20 Pension and other post employment commitments (continued)**

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

On this basis, the balance sheet figures required under FRS17 are as follows:

	31 December 2012		31 December 2011		31 December 2010	
	Expected long-term return	Value £millions	Expected long-term return	Value £millions	Expected long-term return	Value £millions
Equities	6.20% pa	30.87	6.30% pa	28.70	7.70% pa	30.13
Gilts	2.70% pa	11.99	2.80% pa	11.19	4.20% pa	13.09
Corporate Bonds	4.20% pa	6.36	4.70% pa	6.30	5.40% pa	1.91
Insured pensions	4.20% pa	0.50	4.70% pa	0.28	5.40% pa	0.27
Cash	0.50% pa	0.12	0.50% pa	0.22	0.50% pa	0.26
Total market value of assets		<u>49.84</u>		<u>46.69</u>		<u>45.66</u>
Present value of Plan liabilities		<u>57.00</u>		<u>49.65</u>		<u>44.27</u>
Plan (deficit)/surplus		<u>(7.16)</u>		<u>(2.96)</u>		<u>1.39</u>

**Reconciliation of present value of scheme liabilities**

	31 December 2012 £millions	31 December 2011 £millions
Opening defined benefit obligation	49.65	44.27
Service cost	1.20	1.17
Contributions by members	0.33	0.35
Interest cost	2.32	2.38
Actuarial losses	5.14	3.46
Benefits paid	(1.64)	(1.98)
Closing defined benefit obligation	<u>57.00</u>	<u>49.65</u>

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2012**

**20 Pension and other post employment commitments (continued)**

**Reconciliation of the fair value of scheme assets**

	31 December 2012 £millions	31 December 2011 £millions
Opening fair value of scheme assets	46.69	45.66
Expected return	2.44	3.00
Actuarial loss	0.54	(2.39)
Contributions by employer	1.48	2.05
Contribution by members	0.33	0.35
Benefits paid	(1.64)	(1.98)
Closing fair value of scheme assets	<u>49.84</u>	<u>46.69</u>

The actual return on plan assets was a gain of £2.98 million for 2012 (2011: gain of £0.61 million). The value of the plan assets is volatile. The asset value disclosed is at a point in time and will have moved since the year end.

**Analysis of amount credited to net income**

	31 December 2012 £millions	31 December 2011 £millions
Current service cost	(1.20)	(1.17)
Expected return on pension Plan assets	(2.44)	(3.00)
Interest on pension Plan liabilities	2.32	2.38
Net return	<u>(1.32)</u>	<u>(1.79)</u>

The rate of contributions payable by the Company is determined by an independent qualified actuary on the basis of triennial funding valuations. Contributions paid by the Company to the Plan during the year ended 31 December 2012 amounted to £1.48 million (2011: £2.05 million). Contributions exclude employee contributions of £330,000 (2011: £350,000). 2013 contributions are expected to be in line with 2012.

**Movement in (deficit)/surplus during the year**

	31 December 2012 £millions	31 December 2011 £millions
(Deficit)/surplus in Plan at beginning of the year	(2.96)	1.39
Movement in the year: Current service cost	(1.20)	(1.17)
Contributions	1.48	2.05
Other finance income	0.12	0.62
Actuarial loss	(4.60)	(5.85)
Deficit in Plan at end of the year	<u>(7.16)</u>	<u>(2.96)</u>

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2012**

**20 Pension and other post employment commitments (continued)**

**Analysis of amount recognised in statement of financial activities**

	31 December 2012	31 December 2011
	£millions	£millions
Actual return less expected return on Plan assets	0.54	(2.39)
Experience gains and losses arising on Plan liabilities	(0.83)	(0.83)
Changes in assumptions underlying the present value of the Plan liabilities	<u>(4.31)</u>	<u>(2.63)</u>
Actuarial loss recognised in the statement of financial activities	<u>(4.60)</u>	<u>(5.85)</u>

The cumulative actuarial loss as at 31 December 2012 is £18,060,000 (2011: loss of £13,460,000)

**Amounts for current and previous four periods**

Year ending 31 December	2012	2011	2010	2009	2008
	£millions	£millions	£millions	£millions	£millions
Defined benefit obligation	(57.00)	(49.65)	(44.27)	(39.51)	(34.96)
Scheme assets	49.84	46.69	45.66	41.77	33.59
(Deficit)/surplus	(7.16)	(2.96)	1.39	2.26	(1.37)
Experience adjustments on scheme liabilities	(0.83)	(0.83)	(0.05)	(0.02)	1.03
Experience adjustments on scheme assets	0.54	(2.39)	(0.14)	5.50	(9.92)
Changes in the assumptions for the value of plan liabilities	(4.31)	(2.63)	(2.48)	(2.94)	1.48